

THE NATIONAL ARCHIVES  
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MANET  
OF THE UNITED STATES

# FEDERAL REGISTER

VOLUME 2      1934      NUMBER 209

*Washington, Thursday, October 28, 1937*

## TREASURY DEPARTMENT.

Treasurer of the United States; Director of the Mint.

[1937—Department Circular No. 55, Revised]

EXCHANGE OF PAPER CURRENCY AND COIN

OCTOBER 25, 1937.

1. This Circular supersedes Department Circular No. 55, revised, dated January 26, 1927, issued by the Treasurer of the United States and the Director of the Mint, as amended and supplemented.

2. The following regulations govern the exchange of the coin and paper currency of the United States (including National bank notes and Federal Reserve bank notes in process of retirement and Federal Reserve notes). Under authorization in the act approved May 29, 1920, 41 Stat. 655 (U. S. C. title 31, sec. 476), the Secretary of the Treasury transferred to the Federal Reserve banks and branches the duties and functions performed by the former Assistant Treasurers of the United States in connection with the exchange of paper currency and coin of the United States. Except for the duties in this respect to be performed by the Treasurer of the United States as may be indicated from time to time by the Secretary of the Treasury exchanges of the paper currency and coin of the United States and the distribution and replacement thereof will, so far as practicable, be effected through the Federal Reserve banks and branches. Federal reserve banks and branches have been instructed by the Treasury to make an equitable and impartial distribution of available supplies of currency and coin in all cases, and applications therefor should be made to the Federal reserve bank or branch of such bank located in the same district with the applicant. Distribution of new coins will not be made so long as there are available sufficient stocks of circulated coins in the Federal reserve banks and branches or in the Treasury offices.

### I. IN GENERAL

3. The official agencies of the Treasury Department will continue to exchange lawfully held coins and currencies of the United States, dollar for dollar, for other coins or currencies which may be lawfully acquired and are legal tender for public and private debts.

4. Gold coin and gold certificates are exchanged only as provided in the act, orders, regulations, and instructions relating to gold and gold certificates.

### II. EXCHANGE OF MUTILATED PAPER CURRENCY

5. Lawfully held paper currency of the United States (including National bank notes and Federal Reserve bank notes in process of retirement and Federal Reserve notes) when not so mutilated that less than three-fifths of the original proportions remain, will be exchanged at its face amount. Such lawfully held paper currency, when so mutilated that less than three-fifths but clearly more than two-fifths of the original proportions remain, is exchangeable only by the

Treasurer of the United States, at one-half the face amount of the whole note or certificate: *Provided, however,* That it may be exchanged at face amount upon compliance with the provisions of the following paragraph. Fragments not clearly more than two-fifths are not exchangeable, unless accompanied by the evidence required in the following paragraph.

6. Fragments less than three-fifths, when identifiable as to denomination, kind and genuineness, are exchangeable at the face amount of the whole note, only by the Treasurer of the United States, when accompanied by satisfactory proof that the missing portions have been totally destroyed. This proof should be in the form of an affidavit from the owner setting forth that he is the owner and the cause and manner of destruction. If, however, the owner cannot of his own knowledge state the facts as to destruction, an affidavit or affidavits from any other person or persons having knowledge of the facts will also be required.

7. The affidavits must be subscribed and sworn to before a notary public or other officer authorized by law to administer oaths. Unless authenticated by the official impression seal of the officer, the affidavit should be accompanied by a certificate from the proper official, showing that the officer was in commission on the date of the acknowledgment. The date when the officer's commission expires should appear in any event. Should any affiant sign by mark (X), his signature must be witnessed by two persons besides the acknowledging officer, and the places of residence of the witnesses to the mark must be stated.

8. In addition to the affidavits, there should be furnished a certificate, to be executed, if possible, by an officer of an incorporated bank or trust company or by a public officer of the United States, setting forth that that officer has read the affidavits and that the affiants are reputable persons in the community and are, in the judgment of the officer, worthy of belief.

9. *Blank forms for affidavits or certificates are not furnished. No relief is granted on account of currency totally destroyed.*—The Treasurer of the United States will exercise such discretion under this regulation as may seem to him needful to protect the United States from fraud.

### III. EXCHANGE OF MUTILATED COIN

10. *In general.*—Except as hereinafter provided mutilated silver and minor coins are not accepted at their face amount but at their bullion or metal value. Silver coins are mutilated when plugged, fused together, or so punched, clipped, chipped, or otherwise mutilated as to be appreciably reduced in weight, or when so defaced as to be not readily and clearly identifiable as to genuineness and denomination. Minor coins are mutilated when plugged, fused together, or so defaced as not to be readily identifiable, or when so punched or clipped or otherwise mutilated as to show a material loss of metal. Silver and minor coins that are bent or twisted out of shape, but showing no appreciable reduction





Published by the Division of the Federal Register, The National Archives, pursuant to the authority contained in the Federal Register Act, approved July 26, 1935 (49 Stat. L. 500), under regulations prescribed by the Administrative Committee, with the approval of the President.

The Administrative Committee consists of the Archivist or Acting Archivist, an officer of the Department of Justice designated by the Attorney General, and the Public Printer or Acting Public Printer.

The daily issue of the FEDERAL REGISTER will be furnished by mail to subscribers, free of postage, for \$1 per month or \$10 per year; single copies 5 cents; payable in advance. Remit by money order payable to Superintendent of Documents, Government Printing Office, Washington, D. C.

Correspondence concerning the publication of the FEDERAL REGISTER should be addressed to the Director, Division of the Federal Register, The National Archives, Washington, D. C.

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in weight or material loss of metal, respectively, and silver and minor coins which are readily and clearly identifiable as to genuineness and denomination and which have been reduced in weight by natural abrasion only, are not regarded as mutilated, and will be received at face amount.

11. Silver and minor coins which have merely been so altered as to render them available for use as coins of another denomination will be received at face amount, except that such minor coins must first be certified to by a coinage mint as being genuine and otherwise eligible for receipt at such amount. A charge of 40 cents per thousand coins or pieces or fraction thereof, shall be made for such coins or pieces received and examined by such mint for certification, regardless of the number of coins in any deposit certified to as aforesaid, with a minimum charge of \$1.00 for each such deposit received and examined by it. The payments so received shall be covered into the Treasury as a miscellaneous receipt. Such coins as are not certified by such mint to be eligible for receipt at their face amount, shall be accepted by such mint at their bullion or metal value or returned to the depositor at his expense.

12. Mutilated coins should not be transmitted to the Federal Reserve banks or branches or to the Treasurer of the

United States but should be forwarded to such coinage mints or to the New York Assay Office as hereinafter provided, for sale at their bullion or metal value.

13. Relative to the criminal penalties connected with the defacement or mutilation of United States coins, see section 155 of the Penal Code of the United States (U. S. C. title 18, sec. 279).

14. *Standard silver dollars and subsidiary silver coins.*—Standard silver dollars and subsidiary silver coins (halves, quarters, and dimes), when rejected as mutilated, will be stamped by the receiving officer with a distinguishing mark before being returned to the owner. Such mutilated coins will be purchased at the mints at Philadelphia, San Francisco, and Denver, and the United States Assay Office in New York City, at the price fixed from time to time by the Director of the Mint, which is approximately the market price of silver bullion on the date purchased, and should be transmitted to the mints, or the assay office at New York, by registered mail or by express (charges prepaid). Payment therefor will be made by check drawn on the Treasurer of the United States.

15. *Minor coins.*—Mutilated minor coins (one-cent bronze and five-cent nickel) will be purchased at the mints in Philadelphia, San Francisco, and Denver, in lots of not less than one pound of each kind, at a price (the approximate value as metal) fixed from time to time by the Director of the Mint, and should be transmitted to the mints by registered mail or by express (charges prepaid). Payment therefor will be made by check drawn on the Treasurer of the United States.

## IV. OTHER INFORMATION

16. *Shipments of coins.*—Coins forwarded for exchange or for sale as bullion must be shipped at the expense and risk of the owner. Shipments of silver or minor coins for exchange should be assorted by denomination into packages in sums or multiples of \$20.00. Not more than \$1,000.00 in any silver coin, \$300.00 in five-cent pieces, or \$100.00 in one-cent pieces, should be shipped in one bag or package.

17. By taking advantage of the facilities provided at the Federal Reserve banks and branches for the exchange of paper currency and coin, applicants are enabled to have such transactions effected within a shorter time and at a lower cost for transportation charges, as a general rule, than would be possible through the Treasurer of the United States at Washington. So far as practicable, therefore, such transactions should be handled through the Federal Reserve banks and branches.

18. The Federal Reserve banks and branches are located in Boston, Mass.; New York, N. Y.; Buffalo, N. Y.; Philadelphia, Pa.; Cleveland, Ohio; Cincinnati, Ohio; Pittsburgh, Pa.; Richmond, Va.; Baltimore, Md.; Charlotte, N. C.; Atlanta, Ga.; New Orleans, La.; Jacksonville, Fla.; Birmingham, Ala.; Nashville, Tenn.; Chicago, Ill.; Detroit, Mich.; St. Louis, Mo.; Louisville, Ky.; Memphis, Tenn.; Little Rock, Ark.; Minneapolis, Minn.; Helena, Mont.; Kansas City, Mo.; Omaha, Neb.; Denver, Colo.; Oklahoma City, Okla.; Dallas, Tex.; El Paso, Tex.; Houston, Tex.; San Antonio, Tex.; San Francisco, Calif.; Los Angeles, Calif.; Portland, Ore.; Salt Lake City, Utah; Seattle, Wash.; and Spokane, Wash.

19. The coinage mints are located in Philadelphia, Pa.; San Francisco, Calif.; and Denver, Colo.

20. The Act of June 30, 1876, 19 Stat. 64 (U. S. C. title 31, sec. 424), provides that all United States officers charged with the receipt or disbursement of public moneys, and all officers of national banks, shall stamp or write in plain letters the word "counterfeit", "altered", or "worthless" upon all fraudulent notes issued in the form of, and intended to circulate as money, which shall be presented at their places of business; and if such officers shall wrongfully stamp any genuine note of the United States, or of the national banks, they shall, upon presentation, "redeem" such notes at the face amount thereof.

21. All counterfeit notes and coins found in remittances are canceled and delivered to the Secret Service Division of the Treasury Department or to the nearest local office of



that division, a receipt for the same being forwarded to the sender. Communications with respect thereto should be addressed to the Chief, Secret Service Division, Treasury Department, Washington, D. C.

[SEAL]

W. A. JULIAN,  
*Treasurer of the United States.*  
NELLIE TAYLOR ROSS,  
*Director of the Mint.*

Approved:

WAYNE C. TAYLOR,  
*Acting Secretary of the Treasury.*

[F. R. Doc. 37-3147; Filed, October 27, 1937; 12:47 p. m.]

## DEPARTMENT OF AGRICULTURE.

### Agricultural Adjustment Administration.

#### ORDER SUSPENDING THE LICENSE FOR MILK, RICHMOND, VIRGINIA, SALES AREA

Whereas H. A. Wallace, Secretary of Agriculture of the United States of America, acting under the provisions of Public, No. 10, 73d Congress, as amended, issued on the 30th day of April 1934 a license for milk, Richmond, Virginia, sales area, effective May 1, 1934, which license was amended on April 16, 1935; and

Whereas the Secretary of Agriculture has determined to suspend the further operation of said license,

Now, therefore, W. R. Gregg, Acting Secretary of Agriculture, acting under the authority vested in him by the Agricultural Marketing Agreement Act of 1937, which reenacted and amended certain provisions of Public, No. 10, 73d Congress, as amended, and said license, hereby suspends the further operation of said license, but any and all of the obligations which have arisen or which may hereafter arise in connection therewith, by virtue of, or pursuant to the operation of said license to the effective date of this order of suspension shall not be affected, waived or terminated hereby; and provided further, that the market administrator designated pursuant to the provisions of article III of said license shall continue to perform such duties and have such powers as are necessary to liquidate the said license.

In witness whereof, W. R. Gregg, Acting Secretary of Agriculture of the United States of America, has executed in duplicate this order suspending the further operation of the aforesaid license and has hereunto set his hand and caused the official seal of the Department of Agriculture to be affixed in the City of Washington, District of Columbia, this 26th day of October 1937, and hereby declares that this order shall become effective on and after 12:01 a. m., e. s. t., November 1, 1937.

[SEAL]

W. R. GREGG,  
*Acting Secretary of Agriculture.*

[F. R. Doc. 37-3142; Filed, October 26, 1937; 2:12 p. m.]

## FEDERAL TRADE COMMISSION.

### United States of America—Before Federal Trade Commission

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 25th day of October, A. D. 1937.

Commissioners: William A. Ayres, Chairman; Garland S. Ferguson, Jr.; Charles H. March, Ewin L. Davis, Robert E. Freer.

[Docket No. 3210]

#### IN THE MATTER OF SAMUEL STORES, INCORPORATED, A CORPORATION

#### ORDER APPOINTING EXAMINER AND FIXING TIME AND PLACE FOR TAKING TESTIMONY

This matter being at issue and ready for the taking of testimony, and pursuant to authority vested in the Federal

Trade Commission, under an Act of Congress (38 Stat. 717; 15 U. S. C. A., Section 41).

It is ordered, That John W. Norwood, an examiner of this Commission, be and he hereby is designated and appointed to take testimony and receive evidence in this proceeding and to perform all other duties authorized by law;

It is further ordered, That the taking of testimony in this proceeding begin on Tuesday, November 2, 1937, at ten o'clock in the forenoon of that day (eastern standard time), in Room 424, 815 Connecticut Avenue, Washington, D. C.

Upon completion of testimony for the Federal Trade Commission, the examiner is directed to proceed immediately to take testimony and evidence on behalf of the respondent. The examiner will then close the case and make his report.

By the Commission.

[SEAL]

OTIS B. JOHNSON, *Secretary.*

[F. R. Doc. 37-3143; Filed, October 27, 1937; 10:13 a. m.]

## INTERSTATE COMMERCE COMMISSION.

[Statistical Series Circular No. 24]

### SYSTEM CONSOLIDATED REPORTS FOR STEAM RAILWAYS, CLASS I

OCTOBER 27, 1937.

#### To Chief Accounting Officers of Class I Steam Railways:

Consideration has been given to the various comments submitted by railway accounting officers and others in regard to the tentative discussion of General Principles of System Consolidated Reports for Steam Railways issued in July, 1937. Attention is now being given to the application of the general principles to individual systems. It will be of assistance in this work to have for study the various statements of this nature actually in use.

The accompanying Statistical Series Circular No. 24 was adopted by order of the Commission, Division 4, dated October 21, 1937. Your answer should be filed in the Bureau of Statistics not later than December 1, 1937.

W. P. BARTEL, *Secretary.*

#### ORDER

At a Session of the Interstate Commerce Commission, Division 4, held at its office in Washington, D. C., on the 21st day of October 1937.

The subject of system consolidated reports being under consideration:

It is ordered, That—

1. Steam railways of Class I excluding switching and terminal companies, be and hereby are required to submit a copy of each consolidated statement prepared during the calendar years 1936 and 1937 in accordance with Statistical Series Circular No. 24, which is made a part of this order.

2. The answer to said circular shall be filed in the Bureau of Statistics, Interstate Commerce Commission, Washington, D. C., on or before December 1, 1937.

By the Commission, Division 4.

[SEAL]

W. P. BARTEL, *Secretary.*

#### INSTRUCTIONS

This report is designed to ascertain the extent to which Class I steam railways have prepared financial, operating, statistical, or other statements: (A) Consolidating the results for the respondent with those for other companies; and (B) Consolidating the results for companies in which the respondent is directly or indirectly interested but in which consolidations the results for the respondent have not been included.

I. List separately in the various blocks numbered I, II (Roman), etc., below, the name or character of each and every statement (income, profit and loss, balance-sheet, operating expenses, tons originated, etc.) or partial statement,



prepared by the reporting company, together with the other specified information:

(1) In which during 1936 and 1937, financial, operating, statistical, or other results of the reporting company were consolidated with those of any rail, other carrier or non-carrier company or companies.

(2) In which during 1936 and 1937, the financial, operating, statistical, or other results of any rail, other carrier or noncarrier company or companies in which the reporting company is financially or otherwise interested, directly or indirectly, were consolidated with each other by the respondent but not including the respondent's results.

II. Only one such consolidated statement or partial statement should be listed under Arabic number (1) in each Roman numeral block. *Use extra sheets where necessary.*

III. Where a consolidated statement containing several items, as for example the income statement, is reported, no consolidated individual items which are a part of such statement should be separately reported.

IV. Where all items of a financial, operating, statistical, or other statement or schedule are not consolidated but a partial consolidation is made, each such partially consolidated statement or schedule shall be separately reported.

V. If more than one completely or partially consolidated statement is prepared for an identical group of two or more companies, use a separate Roman numbered block for each of such statements. In this event, the names, character of business and relationships may be incorporated in the additional blocks by reference to the Roman numbered block in which the identical companies were consolidated in another statement. *Use extra sheets where necessary.*

VI. Under frequency of reports (Arabic numeral 2) specify annual, quarterly, monthly, and so forth, if such reports are regularly prepared. If not regularly prepared, indicate character or frequency, such as experimental, occasional, once, etc.

VII. Under the nature of the business specify rail, coal, lumber, hotel, etc.

VIII. Under nature of relationship, please be as specific as possible with regard to whether such relationship is by way of lease, operating agreement, ownership of securities, etc. In all cases where there is a financial relationship represented by ownership of securities, please specify the amount of par of bonds owned, and in the case of stock, the number of shares of preferred and/or common owned, and the percentage which your holdings of each represent of the total of each.

I. (1) Name or description of consolidated statement.

(2) Frequency, etc.

*Companies Consolidated*

Name	Nature of business, etc.	Nature of relationship, etc.
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II. (1) Name or description of consolidated statement.

(2) Frequency, etc.

*Companies Consolidated*

Name	Nature of business, etc.	Nature of relationship, etc.
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III. (1) Name or description of consolidated statement.

(2) Frequency, etc.

*Companies Consolidated*

Name	Nature of business, etc.	Nature of relationship, etc.
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IV. (1) Name or description of consolidated statement.

(2) Frequency, etc.

*Companies consolidated*

Name	Nature of business, etc.	Nature of relationship, etc.
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A copy of each completely or partially consolidated statement, marked for identification by the number of the Roman block in which it is listed in the schedule herewith, should be submitted.

**OATH**

State of \_\_\_\_\_,  
County of \_\_\_\_\_, ss:

I, the undersigned \_\_\_\_\_,  
(Title of officer in charge of the accounts)  
of the \_\_\_\_\_ Company, on my  
(Full name of reporting company)

oath do say that the annexed return has been prepared under my direction, that I have carefully examined the same and declare the same to be a complete and correct report of the partially or wholly consolidated statements prepared by the respondent in the years in question to the best of my knowledge, information and belief.

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 193\_\_.

(Notary Public)

My commission expires \_\_\_\_\_

[F. R. Doc. 37-3148; Filed, October 27, 1937; 12:43 p. m.]

**SECURITIES AND EXCHANGE COMMISSION.**

*United States of America—Before the Securities and Exchange Commission*

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 26th day of October, A. D., 1937.

IN THE MATTER OF AN OFFERING SHEET OF PRODUCING LAND-OWNERS' ROYALTY INTERESTS IN THE BRITISH AMERICAN-M. L. THOMPSON TRACT, FILED ON SEPTEMBER 17, 1937, BY T. S. HOSE, RESPONDENT

ORDER FOR HEARING (UNDER RULE 340 (B)) AND ORDER DESIGNATING TRIAL EXAMINER

T. S. Hose, having filed on September 17, 1937, with the Securities and Exchange Commission, an offering sheet for the purpose of obtaining an exemption from registration for the securities described therein under Regulation B of the General Rules and Regulations under the Securities Act of 1933, as amended; and

The Securities and Exchange Commission, having reasonable grounds to believe, and, therefore, alleging that said offering sheet is incomplete or inaccurate in a material respect, or contains an untrue statement of a material fact, or omits to state a material fact necessary to make the statements therein contained not misleading, or fails to comply with the requirements of said Regulation B, to wit:

In that the statement concerning the percentage of water in fluid produced from the tract involved, as set



forth under Division II, Item 20 (b), is considered misleading for the reason that it appears that said tract is currently producing in excess of 53% water in fluid produced and that the percentage of water production has, for the past several months, been greatly in excess of that shown by the offering sheet;

*It is ordered,* Pursuant to Rule 340 (b) of the General Rules and Regulations under the Securities Act of 1933, as amended, that an opportunity for hearing be given to the said respondent for the purpose of determining the material completeness or accuracy of the said offering sheet in the respects in which it is herein alleged to be deficient and/or misleading, and whether the effectiveness of the filing of the said offering sheet shall be suspended; and

*It is further ordered,* That Charles S. Lobingier, an officer of the Commission be, and hereby is, designated as Trial Examiner to preside at such hearing, to continue or adjourn the said hearing from time to time, to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, consider any amendments to said offering sheet as may be filed prior to the conclusion of the hearing, and require the production of any books, papers, correspondence, memoranda, or other records deemed relevant or material to the inquiry, and to perform all other duties in connection therewith authorized by law; and

*It is further ordered,* That the taking of testimony in this proceeding commence on the 16th day of November, 1937, at 2:00 o'clock in the afternoon, at the office of the Securities and Exchange Commission, 18th Street and Pennsylvania Avenue, Washington, D. C., and continue thereafter at such times and places as said Examiner may designate.

Upon completion of testimony in this matter the Examiner is directed to close the hearing and make his report to the Commission.

By the Commission.

[SEAL]

FRANCIS P. BRASSOR, *Secretary.*

[F. R. Doc. 37-3146; Filed, October 27, 1937; 12:46 p. m.]

*United States of America—Before the Securities and Exchange Commission*

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 26th day of October, A. D., 1937.

IN THE MATTER OF AN OFFERING SHEET OF PRODUCING LAND-OWNERS' ROYALTY INTERESTS IN THE SHELL-V. P. LEE TRACT, FILED ON AUGUST 30, 1937, BY J. W. SAIN, RESPONDENT

ORDER FOR HEARING (UNDER RULE 340 (B)) AND ORDER DESIGNATING TRIAL EXAMINER

J. W. Sain, having filed on August 30, 1937, with the Securities and Exchange Commission, an offering sheet for the purpose of obtaining an exemption from registration for the securities described therein under Regulation B of the General Rules and Regulations under the Securities Act of 1933, as amended; and

The Securities and Exchange Commission, having reasonable grounds to believe, and, therefore, alleging that said offering sheet is incomplete or inaccurate in a material respect, or contains an untrue statement of a material fact, or omits to state a material fact necessary to make the statements therein contained not misleading, or fails to comply with the requirements of said Regulation B, to wit:

In that the statement concerning the percentage of water in fluid produced from the tract involved, as set forth under Division II, Item 20 (b), is considered misleading for the reason that it appears that said tract is currently producing in excess of 21% water in fluid produced and that the percentage of water production has, for the past several months, been greatly in excess of that shown by the offering sheet;

*It is ordered,* Pursuant to Rule 340 (b) of the General Rules and Regulations under the Securities Act of 1933, as

amended, that an opportunity for hearing be given to the said respondent for the purpose of determining the material completeness or accuracy of the said offering sheet in the respects in which it is herein alleged to be deficient and/or misleading, and whether the effectiveness of the filing of the said offering sheet shall be suspended; and

*It is further ordered,* That Charles S. Lobingier, an officer of the Commission be, and hereby is, designated as Trial Examiner to preside at such hearing, to continue or adjourn the said hearing from time to time, to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, consider any amendments to said offering sheet as may be filed prior to the conclusion of the hearing, and require the production of any books, papers, correspondence, memoranda, or other records deemed relevant or material to the inquiry, and to perform all other duties in connection therewith authorized by law; and

*It is further ordered,* That the taking of testimony in this proceeding commence on the 16th day of November, 1937, at 10:00 o'clock in the forenoon, at the office of the Securities and Exchange Commission, 18th Street and Pennsylvania Avenue, Washington, D. C., and continue thereafter at such times and places as said Examiner may designate.

Upon completion of testimony in this matter the Examiner is directed to close the hearing and make his report to the Commission.

By the Commission.

[SEAL]

FRANCIS P. BRASSOR, *Secretary.*

[F. R. Doc. 37-3144; Filed, October 27, 1937; 12:46 p. m.]

*United States of America—Before the Securities and Exchange Commission*

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 26th day of October, A. D., 1937.

IN THE MATTER OF AN OFFERING SHEET OF PRODUCING LAND-OWNERS' ROYALTY INTERESTS IN THE SHELL-L. F. WHIPPLE TRACT, FILED ON AUGUST 30, 1937, BY J. W. SAIN, RESPONDENT

ORDER FOR HEARING (UNDER RULE 340 (B)) AND ORDER DESIGNATING TRIAL EXAMINER

J. W. Sain, having filed on August 30, 1937, with the Securities and Exchange Commission, an offering sheet for the purpose of obtaining an exemption from registration for the securities described therein under Regulation B of the General Rules and Regulations under the Securities Act of 1933, as amended; and

The Securities and Exchange Commission, having reasonable grounds to believe, and, therefore, alleging that said offering sheet is incomplete or inaccurate in a material respect, or contains an untrue statement of a material fact, or omits to state a material fact necessary to make the statements therein contained not misleading, or fails to comply with the requirements of said Regulation B, to wit:

In that the statement concerning the percentage of water in fluid produced from the tract involved, as set forth under Division II, Item 20 (b), is considered misleading for the reason that it appears that said tract is currently producing in excess of 8% water in fluid produced and that the percentage of water production has, for the past several months, been greatly in excess of that shown by the offering sheet;

*It is ordered,* Pursuant to Rule 340 (b) of the General Rules and Regulations under the Securities Act of 1933, as amended, that an opportunity for hearing be given to the said respondent for the purpose of determining the material completeness or accuracy of the said offering sheet in the respects in which it is herein alleged to be deficient and/or misleading, and whether the effectiveness of the filing of the said offering sheet shall be suspended; and



*It is further ordered,* That Charles S. Lobingier, an officer of the Commission be, and hereby is, designated as Trial Examiner to preside at such hearing, to continue or adjourn the said hearing from time to time, to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, consider any amendments to said offering sheet as may be filed prior to the conclusion of the hearing, and require the production of any books, papers, correspondence, memoranda, or other records deemed relevant or material to the inquiry, and to perform all other duties in connection therewith authorized by law; and

*It is further ordered,* That the taking of testimony in this proceeding commence on the 16th day of November, 1937, at 10:00 o'clock in the forenoon, at the office of the Securities and Exchange Commission, 18th Street and Pennsylvania Avenue, Washington, D. C., and continue thereafter at such times and places as said Examiner may designate.

Upon completion of testimony in this matter the Examiner is directed to close the hearing and make his report to the Commission.

By the Commission.

[SEAL]

FRANCIS P. BRASSOR, *Secretary.*

[F. R. Doc. 37-3145; Filed, October 27, 1937; 12:46 p. m.]